

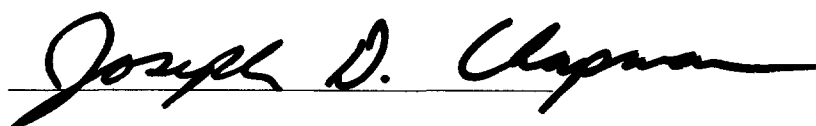
The Different Methods of Selecting Sales Representatives for Companies

An Honors Thesis (HONRS 499)

by

Laura R. Bergan

Dr. Joe Chapman

A handwritten signature in black ink that reads "Joseph D. Chapman". The signature is written in a cursive style and is positioned above a horizontal line.

Ball State University

Muncie, Indiana

May 1995

May 6, 1995

SpColl  
Thesis  
L2  
2489  
.Z4  
955  
E47

## **PURPOSE OF THESIS**

The objective of this paper is to examine the different methods of selecting sales representatives for companies. The reason for finding different methods is due to the lack of performance by these individuals after they have been chosen by traditional selection methods. Companies are investigating different methods of sales position selections to better insure them of successful employees.

The first topic that will be addressed is recruiting. Recruiting is growing as a selection tool for sales positions. The various recruiting topics that will be discussed include college recruitment, creative recruitment, and recruiting databases. The next topic will be interviewing. Interviewing has been a traditional form of employee selection. However, there are some basic guidelines that should be followed for a successful interview that will be mentioned. After interviewing, different testing methods will be introduced to the paper. Testing methods are ways to insure gaining successful sales representatives. The testing methods that will be examined range from presentation testing and role play testing to computerized and psychological testing. The final topic will be checking references, which is very important before offering a position to a candidate. With this article, will come a better understanding of the selection of sales representatives and their success rates.

## **INTRODUCTION**

This manuscript presents an overview of sales selection techniques. In particular, the article will discuss the following selection techniques that were identified from the sales literature review: 1) recruiting, 2) interviewing, 3) testing, and 4) checking references. The general procedure for a sales position selection process includes a job analysis, determination of job qualifications, recruiting, interviewing, selection, extending the offer, and assimilation of the new salesperson into the organization. Also, tests are often administered to prospective salespersons and are probably an integral component of proprietary selection procedures (King 1992). The following section will discuss the recruiting stage of sales selection.

## **RECRUITING**

Recruiting is the procedure of locating a sufficient number of prospective job applicants. One of the first steps of selecting sales representatives is recruitment. Several recruiting methods will be discussed in this section. First, with regards to college recruiting, there are many companies that will want the top performer, and it is the responsibility of the graduate to decide what company he/she wants to work with. Companies need to apply their marketing know-how to sell themselves to their future sales representatives.

The first step to making a company more efficient in recruiting is to invest in objective market research (Hanigan 1994). With market research, a company can learn what their reputation is on campuses and also employ any competitive analysis to see who their real competition is and what recruiting programs they are using. The second step is to identify and benchmark the competition. This will allow companies to learn what competition they have with companies outside their industry. Many students do not stay within one industry. This way corporations can sponsor benchmark studies to see what kind of early identification programs other companies

have, how their internships are structured and what their faculty relation programs look like. The third step to efficient recruiting is to design a strategic staffing plan. A company should assess the skills and attributes the company needs in its sales department, determine which schools are the best sources, and design a recruiting strategy that makes optimum use of the resources (Hanigan 1994).

The fourth step is to develop a selling strategy. Once a company knows what its target market wants, it should decide which company selling points it wants to emphasize. The campus material about the company should be interesting and answer the questions that students would want to know. The final step is to utilize all distribution channels. Many companies only use the college placement office as a means of communicating with the students. Television, radio, and even direct mail are all available channels to communicate the company's message to students.

Another example of college recruiting investigates better ways to recruiting sales representatives other than interviewing college students (Falvey 1988). With a twenty minute interview, an interviewer cannot gain a student's potential or ability. The idea is to become a talent scout. Students can quickly become great sales representatives. It will only take students a few weeks to get them to a stage where they can begin to effectively contribute. The best place to learn to sell has always been face to face with real customers. The objective of a training program for new hires should not be to teach them about your product, service, marketplace, and how to sell; however, it should be to get them to a minimum point at which they can begin to make calls and learn on their own. A company should want to set up a selection process that focuses on attaining real world results rather than on subjective twenty minute encounters (Falvey 1988).

Falvey (1988) states that the first step of this process is to choose the appropriate schools. Second, contact one or two faculty professors and develop a relationship with them. Then, guest lectures can be scheduled with classes. At the

end of the lectures, allow six to eight minutes for questions from the students. Usually the brightest students will ask questions, however, do not answer them. Instead offer them a day in the field with a local sales representative and tell the students to send you a report after the experience. A day in the field with a representative gives the interviewer two aspects that he could not have gained from the interview. They are the written impression of the student from his report and the field sales representative's impressions after eight hours of exposure. If the contacts are set up correctly, the students should be juniors so summer internships can be offered to the students to learn more about their work ethic.

After the summer internship, if an intern is being considered for a full time sales position upon graduation, the intern should be given a letter of intent at the end of the summer. The letter should guarantee that the student will be offered a job the following spring. This student should also be invited to all sales meetings during the following winter. The benefits of this process are 1) the company receives a summer's work, 2) the company can determine whether the student fits with the company, and 3) this program takes ninety percent of the guesswork out of the selection process and decreases first year turnover to almost zero. The final additional benefit of a well run summer internship program is the avoidance of the price competition when hiring the following spring. The reason is that even if the student is offered a higher paying job, the student will opt for the company he/she knows and is familiar with due to the summer intern experience (Falvey 1988).

A better way of gaining the best sales representative is called creative recruiting, which involves seven methods. First, is networking, which helps find the best candidate by developing and nurturing relationships with possible candidates. The groundwork for future openings is laid and a pool of applicants is developed. Secondly are the clients, which involves an interviewer asking a sales-oriented person to name the best salesperson who calls on him. The interviewer should find out what

makes this salesperson stand out. This should help the company determine the type of candidate needed for the job. The fourth method is advertising agencies. This helps identify good candidates by the interviewer asking the agency contacts to name the best salesperson who calls on them. The fourth method involves competition, which includes the interviewer observing competition's sales representatives and then when an opening develops offering the job to that salesperson. The fifth method is recruiting within your own company, by choosing a candidate that managers believe will be successful in sales. Sixth, involves professional recruiters that can shortcut the search process because they have stockpiled contacts and potential candidates. The final method is that of classified advertising, specifically the publishing trade press. It yields more qualified candidates than consumer papers (Berman 1994).

As pressure on Human Resource managers to control recruiting costs and find qualified candidates increases, the use of computerized recruitment databases will gain popularity. A recruitment database is a computerized collection of information on potential employment candidates compiled by some type of recruitment agency. Companies are turning to databases because the cost of recruiting is one of the prime targets for cost-cutting with most companies (Willis 1990).

There are five major categories of recruitment databases, which are those maintained by executive search firms, university alumni groups, employment agencies, those open to the general public, and corporate "job banks." Executive search firm databases may be accessed only by the search firm's recruiters or by recruiters in a tightly controlled network of search firms. Along with resumes of executives and other employees who are looking for better opportunities, most firms also include some resumes of those who are not actively seeking employment. Colleges and universities are increasingly offering job databases as services for their alumni and employment agencies are also active users of recruitment databases. The most rapid growth has been in network databases, which allow recruiters to tap into a

national pool of candidates. Since public-access recruitment databases may be used by any employer, they are not a good job search avenue for the currently employed managers; however, they can add greater exposure. Corporate job banks are also becoming very popular. The corporate job banks are computerized databases of temporary personnel who are willing to work while permanent employees are on vacation or during busy periods at the company. Many of these people are retirees or former employees, and most are used to fill temporary vacancies in clerical, word processing, or data entry positions.

The best recommendation for job recruiters is to become familiar with computer systems and most recruitment databases. Recruiters need to talk with vendors and users to make sure they use the network that best fits their company's needs (Willis 1990).

## **INTERVIEWING**

Before the interview, Simmons (1990) agrees that the first step in selecting a candidate is establishing the selection criteria. First, list the major job results, i.e., the actual outcomes of the position. Once all of the major job results have been listed, the next step is to list the job-related conditions. These are the conditions under which an individual must work. Next, for each of these items, list the skills and personal characteristics an individual must possess to fulfill that condition.

After the selection criteria has been identified, the type of interview must be selected, either the unstructured interview or the structured interview. Baker (1990) states that the typical unstructured interview involves two people who engage in a conversation to allow the interviewer to make a judgment about the candidate's suitability for a position. A key point is that the interviewer is personally responsible for the design and flow of the interview. The unstructured nature of the interview affects

the consistency and usefulness of the decisions that interviewers make based on the interview. There are a number of guideposts relating to the unstructured interview.

1. The reliability coefficients for the typical unstructured selection interview are generally below those considered acceptable for making decisions about people.
2. With few exceptions, the validity coefficients reported for the typical unstructured interview are below those normally considered useful for predicting actual job performance.
3. There is no standard content in the unstructured interview.
4. Interviewers develop a stereotype of a suitable candidate and then judge applicants in terms of how they fit the stereotype.
5. Even though the same information is collected every time, different interviewers may interpret or weight the information differentially in arriving at a final decision.
6. Interviewers tend to weigh unfavorable information more heavily than favorable information.
7. Interviewers tend to make decisions to accept or reject early in the interview.
8. It is highly vulnerable to the irrelevant personal biases, expectations, prejudices, and stereotypes of the interviewer.

A structured interview employs a standardized format, which is associated with increased reliability and validity. Here are some guideposts that pertain to the structured interview.

The structured interview includes a four-step model. First, is patterning, which is constructing questions about the issues identified as critical. Second, is the questioning, which is choosing which questions to ask and mastering the process-oriented skills necessary to elicit appropriate answers to the questions. Third, is



recording, which is taking concise notes. Fourth, is the decision making, which is rating the job candidate on the basis of the information collected during the interview. There are usually three key dimensions that are identified during the interview, which are work interests, relevant experience, and training.

1. The more structured, the more reliable it is likely to be.
2. They produce more validity coefficients in the range normally considered useful for predicting actual job performance.
3. A focus on critical job requirements reduces the impact of irrelevant information and increases the accuracy of hire/reject decisions.
4. The process-oriented skills of the employment interviewer can directly affect the quality of information collected.
5. It should include an opportunity for an exchange of information, a chance for the applicant to learn about the job and the organization, and for the interviewer to learn about the interviewee.
6. Taking notes in the interview improves recall of relevant information and reduces the effects of some rating scores.
7. They should know what they legally can and cannot ask during an interview.
8. They should be trained to avoid typical rating errors.

After identifying the selection criteria and the type of interview, the interviewer should review a candidate's background and credentials (Krause 1985). To prepare for the interview, the interviewer should compare resumes or applications of those qualified with the list of open-ended questions (Kauffman 1992).

Some general guidelines for the interview process should be established: 1) An effective interview should include at least two personal interviews with leading candidates and telling the candidates of the general procedure and purpose of the interview, 2) The interviewer should prepare for the interview, have a plan, be open

and friendly, involve the prospect, listen carefully, uncover the prospect's needs, and present the benefits of the position, and 3) During the entirety of the interview, the interviewer should take good notes, to be able to remember the candidates well (Berman 1994). Also during the interview, the interviewer should trust his judgment and consider the interview as a sales call. The interview should be used to learn about the candidate's interpersonal communication and sales skills, as well as attitude, enthusiasm, drive, creativity, and reliability.

Interviewers begin the interviewing process by using candidates' resumes as the sole interviewing tool, which is a mistake for three reasons. First, as candidates prepare their resumes they tend to include only positive information. Second, resumes tend to be organized chronologically, with the most recent information first, therefore, the information is gathered backwards. The third problem in using the resume is that interviewers generally want to structure questions in a way that is different from the language used on the resume. The interviewer expends a great deal of mental energy formulating questions rather than listening to the candidate. A recommendation for gathering general background information is to use the "lifeline technique," which simply involves picking a significant point in the candidate's past and having the candidate move from that point to the present. In a college graduate's case, the candidate would start from the beginning of college and continue to the present (Simmons 1990).

During the interview itself, a three-stage process should be kept in mind. First, the interviewer should gather information by asking nonjudgmental, open-ended, fact-finding questions. With these questions, the structure of the job and the culture of the company should be considered, so as to fit the right type of employee for the company (Kauffman 1992). Second, the interviewer should describe the job realistically to the applicants. This includes a job analysis that examines not only what are the essential elements of the job but also what behaviors result in success for current employees

(Kauffman 1992). Third, the interviewer should ask if the applicant has any questions, and these questions should be answered by the interviewer (Kauffman 1992).

Another option is that once the interviewer has the information that is needed, the salesperson should be asked what he/she wants to know rather than telling the applicant everything that the interviewer thinks he/she should know. The interviewers will learn whether they are asking the right questions (Berman 1994).

Also in the heart of the interview, the interviewer should check for technical skills. There are three potential problems during the in-depth portion of the interview. First, the interviewer needs to know something about the skills required and understand processes and procedures that are used in the technical job. The second problem is to listen for nonanswers. Many interviewers accept vague answers without pushing for depth. The third potential problem is that many candidates answer questions in the plural. When this happens, push the candidates to discuss their individual role.

When assessing personal characteristics, the interviewer should not use vague words or phrases, but should restate questions in concrete and observable terms. This way the interviewer can look for actual accomplishments, rather than style. The interviewer should use "nondirective/perfection" questions. Since these are questions that have no obvious "right answer," the interviewer has a better chance of getting an honest answer from the candidate. The interviewer should continue by narrowing the scope of questioning using "parallel" questions. These questions are meant to pursue both positives and negative questions simultaneously, such as strengths and weaknesses. The interviewer should further narrow with "preference" questions that give candidates a choice among two or more possibilities. At this point, enough data has been gathered to allow the interviewer to ask very direct questions. Finally, look for "proof" facts to support the answer, such as work or project examples (Simmons 1990).

Another important part of the interview is building a relationship between the interviewer and the candidate. During the sales interview, the first thing that must be accomplished by the interviewer is to encourage the applicant to talk and sell himself. The interviewer should listen for sales ability and note whether the person is good at building relationships (Hansen 1992). According to Hansen (1992), through eye contact and body language, the interviewer will be able to tell if the recruit is trying to build a relationship. Since a sales career requires varied questions and comments, the ability to respond quickly and positively are pluses when looking for a sales representative. The candidates should be ranked largely on the basis of a good fit. The interviewer should make note of those who give attention to detail like professional salespeople do, especially those who called in advance to confirm the appointment, independently researched the company, and wrote follow-up thank you notes. Finally, the best prospects need to interact with many people in the company. Each person should be allowed to comment on whether the candidate is a good fit from their perspective (Hansen 1992).

One of the most critical points of relationship development for the candidate is getting the interviewer to like the candidate. This is important because the one objective of the sales call is to get the customer to like the sales representative. Personality and the value system of the interviewer and the candidate will affect the outcome of the interview (Divita 1992).

The first step in developing a good relationship with the interviewer is for the candidate to adapt to the interviewer's behavior, a quality of a salesperson. This can be accomplished both verbally and nonverbally. It requires being attentive to the other person's pace and mirroring it. First, the candidate should force himself to smile when greeting the other person. Failure to do this will invite the candidate to a stressful encounter. Second, while the candidate is greeting the other person, he should focus his attention on the person's pace, adapting to the interviewer's pace in the process

(Divita 1992). After the first interview, if a candidate is a good possibility, he should be asked back again for the second interview that will also include a role-playing session. This session will allow the interviewer to see how the salesperson handles clients. Finally, once all the choices have been determined, all references should be checked carefully (Berman 1994).

On the subject of interviewing, the following are examples of how some companies are conducting their interviews. First, since companies are becoming more sophisticated, they tend to use the same interviewing techniques for representatives and for direct-employee salespeople. Company representatives meet in person with prospective representatives and conduct thorough interviews. This modern approach greatly enhances the chances of finding a representative who will be compatible with the company's marketing philosophy and methods of selling (Krause 1985). A second example of an interview style is presented by Keenan (1993). His idea is from Ken Blanchard, president of Blanchard Training and Development Inc. in Escondido, California and the author of the One-Minute Manager. He recommends a performance-based interview technique to uncover the highly charged candidate. For a sales position, an interviewer should sit the candidates down and give them as much information as he/she can about the basic responsibilities and territories, then, they should be given a yellow pad and told that the interviewer will be back in an hour. The interviewer should tell them to outline what they think they are going to be doing over the next one, three, and six months, if they get this job. They will write what they are going to do and present it to the interviewer when he returns. This tactic will highlight how candidates perform under pressure along with their writing and verbal skills. The interviewer will know whether the candidate is a winner or a potential winner because many times the basis on which a person is hired is the amount of time the company has to train.

An Albany, New York based subsidiary of a Fortune 100 company has incorporated a new type of recruiting procedure called the back-to-basics approach (Freedman 1992). The company's ongoing formal training for interviewing skills includes actual interview sessions as well as audio/visual materials that focus on the behavioral aspects of interviewing job applicants. The following are some of the guidelines that this company incorporated into its recruitment training program. First, the interviewer should review job duties and set objectives for the interview. The recruiter must obtain a copy of the written job description and refer to it during all phases of the interview. Job descriptions are the best resource for compiling the right questions to ask candidates. Second, the interviewer should use open-ended questioning and the echo technique. Two words, what and describe, are key elements in open-ended questions that avoid vague responses and yes or no replies. This will also allow the interviewer to evaluate the candidate's perspective of responsibility and cost-effectiveness. Finally, the interviewer will need information to refer back to after the recruiting and, therefore, should take good notes (Freedman 1992).

## **TESTING**

There are various types of testing procedures that companies use in their selection of employees. The types of tests range from eyeball testing, presentation testing, role playing testing, IQ testing, computerized testing, psychological testing, survey testing, and aptitude testing.

Alan Gold of the Office Palace, an office supply and equipment dealer in Anchorage, Alaska, starts with a screening device he calls the eyeball test. The receptionist reports how the candidate behaves from the moment he comes in the door to the moment the interviewer greets the candidate. The idea is to measure the candidate's composure and confidence before the interview begins (Keenan 1993).

Gold also uses a presentation test at a later point in the interview process. After he sets a second interview date, he gives the candidate a product ID number, and asks the candidate to be prepared to make a presentation on that product at the next meeting. The candidate's motivational level is measured by the lengths to which he or she will go to obtain enough information about the product and the company to put together an adequate presentation.

Howard Brenstock of Copyrite Inc. in Mishawaka, Indiana, is a little more forthcoming. After candidates have reviewed an annual report and videotapes on the company and some of its products, he then asks them to "sell me on the company from what you've learned." This allows the candidate to show his ability to assimilate information quickly and think on his feet. If the candidate passes this test, he is given additional product information and asked to return about a week later to give a twenty minute sales presentation. The value of the presentation test is to measure the amount of time, effort, and creativity brought to the presentation and to evaluate the level of selling skills from start to finish of a simulated sales call. Brenstock also has sales candidates travel for part of a day with a sales representative and later with a service representative. Both report back on each candidate's attitude and abilities after the day in the field. Brenstock also uses the employees to probe the candidate with certain topics to help him make a decision. However, Gold conducts what may be the ultimate field test. He sends them into the field with a sales trainer and allows the candidate to do a half day of cold calling. They are not actually looking for a sale, but a fact-finding mission such as a decision maker's name, a business card, or a future appointment. This is a good test of composure and command of fundamental sales skills (Keenan 1993).

With another presentation test, according to Spragins (1992), Advanced Network Design (AND), a third-party telecommunications handler in La Mirada, California, designed two "activity" tests to discern the verbally competent from the truly

skilled salespeople. After a lengthy interview, Dave Wiegand, AND's president gives the candidate an assignment. He asks the candidate to call him in his office from the conference room and pretend he is a potential customer. The candidate must try to set an appointment with him. The president is looking for answers to three questions. First, he is wanting to know if the salesperson is honest. Second, does the salesperson go after the goal. Third, he wants to know if the candidate is persistent.

The second test is designed to give Wiegand a feeling for the salesperson's selling style. Wiegand gives the applicant the specifications of two products and asks the candidate to sell him one over the other. With this, he wants to know the salesperson's selection rationale, as well as his sales strategy. He also observes how the salesperson handles objections and adapts to unexpected developments.

Role playing is a testing procedure used frequently by companies for selecting employees. In the hiring process, sales managers need to focus their attention on predictors of success. The goal is to elicit and evaluate behaviors and responses in the interview process that correlate to success in the field (Parker 1989). To learn if a person is going to be successful in selling your products and services, one must go beyond first impressions, discussions, tests, and psychological profiles. In addition to the standard interview questions, try asking candidates how they would react in a variety of specific selling situations. The nature of the questions you ask will vary based on your industry and whether you are hiring experienced or new salespeople. Fit the situations and questions to meet your needs. Use situations that you or your salespeople have actually encountered. This accomplishes many things.

1. It tests the candidate's knowledge of real sales situations.
2. It shows how the candidate thinks on his feet. The questions that are asked are ones that could not have been prepared for.
3. It demonstrates their communication skills in a pressure situation (Parker 1989).



The best thing to do is to put the candidate in a hypothetical sales call and provide the necessary background information. The interviewer should then present a specific situation that requires the salesperson to make a decision, decide on a course of action, or formulate a response to an objection or comment. The interviewer could ask the candidate what he would do or ease into an impromptu role play situation.

This situation will give the interviewer valuable information. There are various responses.

1. The candidate immediately shifts body position in a manner that shows that he is uncomfortable.
2. The candidate hesitates to respond directly, preferring to explain his response instead of responding directly.
3. The candidate says the wrong response.
4. The candidate pauses briefly and looks the interviewer in the eye and responds with a statement that keeps the selling process moving (Parker 1989).

The situations should not focus on the quick sale but rather on the candidate's ability to set appointments with new prospects over the telephone, qualify prospects, get to the decision maker, handle objections, and close on a course of action. The interviewer should know the key skills that salespeople need to have in his industry and should formulate these questions to test those skills (Parker 1989).

Another role play test is a situational test that places the test taker in a situation closely resembling or simulating a "real-life" criterion situation. The usefulness of situational tests and work samples may be attributed to behavioral consistency. Therefore, the best predictor of future performance is past performance. Situational tests provide an opportunity to observe the actual behavior of candidates (Squires 1991). Each candidate participates in four role-plays, two of the role-plays are inbound, the customer calls the candidate, and two are outbound, the candidate calls

the customer. The test is conducted entirely by telephone and requires about 30 minutes to complete. The candidate's objective for each role-play is to sell a service contract for an appliance. The raters are supervisors of telemarketing representatives. The rating scales include examining three dimensions, which include communication, social sensitivity, and sales ability. The dimensions are rated by a five point scale. The raters attend a training program, which consists of lecture of role-play scripts, the dimension definitions, common rater errors, and the role-play procedure. Several indicators of work performance serve as the criteria for rating the candidates. Ratings of four aspects of work performance, which are customer service, administrative efficiency, sales skills, and sales results, are obtained from each telemarketing representative's supervisor using a one to five rating scale. However, it has been found that these role-play tests are not always reliable (Squires 1991).

Another form of testing that is used by some companies is that of IQ testing (Kern 1988). Recently, there has been a research study showing that cognitive ability, also known as IQ or intelligence, is the best indicator of future job performance, better by far than education, experience, or the personal interview. However, with this research has generated much controversy and many negative comments. IQ tests are not a new idea. After World War II, corporations began using tests as an aid in hiring veterans returning to the work force. Throughout the 1950's and 1960's, testing was used routinely, particularly in the hiring of salespeople. A 1964 study conducted by the National Society of Sales Training Executives (NSSTE) showed that 83% of its member companies were using sales selection tests and, for a while, it seemed that testing had found a high priority spot in the hiring mix. Over the next several years, testing decreased due to the legal problems associated with civil rights legislation and equal opportunity hiring practices. Also, the cost of these tests became an issue. With these issues, it is easy to see why companies are hesitant to use the tests (Kern 1988).

According to Richard Nelson, who works as a consultant in the recruiting industry, the reason that ability testing is becoming such a hot topic is that it offers a way to take some of the risk and expense out of the hiring process. However, he also says that using an IQ test by itself is a mistake, because with all the various sub classifications of salespeople, the interviewer can be misled. Research shows that achievement drive is the key trait in all top sales representatives, however testing might not reveal that in every case. Also, another risk of testing is that not all tests measure what they say they measure. The bottom line is that companies want to select employees in the most cost-effective and timely way possible. Testing offers a way to do that; however, successful hiring is the result of a combination of factors, with intelligence just one of many things that deserve a high priority with hiring sales representatives (Kern 1988).

A new type of interviewing for the sales industry, is computer interviewing. Software creators think they can help employers make sure only the best salespeople and marketers are actually hired. Phase II Sales Success Profiles, a software and test-booklet package, looks at potential employee's sales skill levels in 12 different areas. The program can be used to evaluate any level of salesperson for any kind of company. A one-on-one interview is fine for determining whether a candidate is personable, but nice people do not necessarily move the goods. After a 10 to 15 minute interview, an interviewer knows whether he can work with someone, but he does not know if the candidate can sell (Gorne 1992).

To evaluate a prospective sales representative, the applicant first has to take a 50 question multiple-choice test. Using Sales Success' computer scoring software, managers input the applicant's answers, and the results can be printed out. Individualized training guides are produced for each job seeker. The 20 to 30 minute long tests consist of "situational story-type problems." Although there are only 50 questions in the test, most have more than one possible answer. Questions in the test

evaluate areas such as whether a salesperson can approach and involve customers, overcome objections, handle problem customers, have the ability to cold call, and, most important, close a sale (Gorne 1992). Finally, the data from the finished test is compared to the scores of over 1,000 salespeople in the statistical control group. With this information, a company will learn what type of sales ability the candidate has.

Another type of testing is psychological testing, which is new to the testing subject, according to Martin and Lehnert (1992). Primarily in the past, employers have relied on a variety of subjective selection procedures, such as personal interviews, reference checks, and resume evaluations, to make hiring decisions. However, it is now clear that such subjective techniques have at least two major limitations. First, these procedures are not standardized. That is, the evaluation process is not identical for all applicants who apply for a given job. Second, the extensive research indicates that these subjective procedures are not very accurate in predicting how employees actually will perform on the job. As a result, subjective methods are relatively ineffective in helping managers and organizations accomplish their performance and financial objectives. An organization can improve the accuracy of its selection decisions by using the science of psychology (Martin, Lehnert 1992).

The Monarch/Minnesota progressive and growth-oriented division of JP Foodservice, based in Minneapolis, typically recruited candidates who had a college degree and a few years of experience in the industry. The candidates then participated in three or four traditional interviews, a physical drug test, and a motor vehicle record check. Upon hire, all new sales representatives entered a long-term training program, but success was not always the outcome.

The human resources team at Minnesota/Monarch decided to begin using the Sales Professional Assessment Inventory (SPAI) to evaluate candidates for sales positions (Martin, Lehnert 1992). The instrument includes about one hundred multiple-choice questions and takes about an hour to complete. The procedure

assesses a variety of characteristics required to be a successful salesperson, including energy level, sales interests, and sales experience. Well established psychological principles are used to identify candidates who have the most potential. For example, psychologists have discovered that effective sales representatives accept a great deal of responsibility for what happens to them, therefore, they are likely to work hard because they believe they are likely to be rewarded for their efforts. Minnesota/Monarch documented the effectiveness of the SPAI by administering the instrument to 51 sales representatives and examining the relationship between the test results and performance on the job. The results indicated that better scores on the SPAI corresponded to better supervisory performance ratings. The company also discovered that sales were higher for the individuals selected by the SPAI test.

In another psychological testing example, Herbert R. Gopstein, senior vice president of Caliper Assessment, Inc. in Princeton, New Jersey, feels that his company has uncovered the key personality characteristics necessary for an individual to be successful in sales positions. His process results with matching personality strengths to the requirements of a particular job that results in predicted success. The new process is the Caliper Inventory, a psychological test which assesses an individual's basic strengths, weaknesses, and motivations (Sweet 1988). The test involves going below surface impressions and relating the individual's unique personality attributes to the requirements of the job under consideration. The job matching process involves three steps. First, Caliper learns the specific nature of the position and the expertise required to succeed in it. Second, it evaluates the personality qualities that training cannot remedy. Third, an individual's personality qualities are measured against the job requirements to determine if a job match exists. Gopstein's company has found that successful salespeople have three key qualities. They are: 1) empathy, the ability to read what others are thinking and feeling, 2) ego

drive, the motivation to persuade others to one's point of view, and 3) ego strength, which is a good sense of self, so that rejection is not taken personally (Sweet 1988).

H. Joseph Marshall, managing partner of Resource Management Associates, says that using behavioral surveys can help banks select strong employees and help those employees hone professional skills. Indeed, Mr. Marshall said banks that use this approach for hiring and training can boost their mutual fund sales to 4.5% of customer deposits, more than double the industry norm of 2% (Moore 1993). Marshall does state that there are two factors that contribute to a salesperson's success. First, is the behavioral profiling, which is what he is testing for; and, second is the salesperson's drive to succeed. Behavioral profiling probably accounts for 75% to 80% for one's motivation. With this information, Marshall usually uses two or more tests to assess his candidates.

There are two philosophical approaches when looking at surveys. Some surveys are like litmus tests that indicate which people are less prone to succeed. Others are less concrete and assume that employees can be educated to overcome weaknesses, which are considered developmental tests (Moore 1993). These developmental surveys are continually being improved to be more effective in identifying characteristics and how they relate to specific jobs.

A sales aptitude test was another type of testing discovered in the literature. Science Research Associates (SRA)/ London House has identified seven behavioral and personal attributes that are essential to sales effectiveness. They are achievement motivation, ego strength, energy, enterprise, persuasiveness, self-confidence, and sociability. To help employers identify these attributes in sales position candidates, SRA/London House introduced the Sales Aptitude Test (SAT). The SAT is a multiple-choice, paper-and-pencil assessment that can be completed by job applicants in less than 30 minutes ("New" 1994). Based on the research results,

individuals who are best suited for sales positions generally score higher on the test and tend to do the following.

1. Place high priority on winning and prefer working on challenging tasks
2. Show resilience to criticism, rejection, or failure
3. Sustain high levels of activity for long periods of time
4. Enjoy working in a competitive environment where success results in the attainment of power, status, and wealth
5. Gain personal satisfaction from influencing the decisions of others;  
approach tasks believing own abilities and drive are well matched to the task
6. Gain satisfaction from interaction with people during work and recreation  
("New" 1994).

### **CHECKING REFERENCES**

Checking references is another important tool used in selecting new sales representatives. Checking references can be a very reliable resource when interviewing a candidate. One method of going beyond just checking references is currently being implemented by Laurel Cutler, the vice chairman of Leber Katz Partners, a New York City advertising agency. She checks all references that are given to her by the candidate as well as references that are not given to her. She gets to the references that the candidates do not provide by asking the references listed by the candidates for names of others who may know of the candidate's past performance (Bragg 1990).

Bragg (1990) says that checking references has been eliminated by some companies due to the risk of liability, however, checking references can be a safe and effective employment screening device if companies follow a few simple rules. First, the interviewer should learn the law. The catching point is the individual's right to

privacy. The interviewer must know what questions can be asked and how they should be asked. In addition, inquiring about age or national origin is considered discriminatory, whether asking the candidate or checking a reference. Second, it is also important to keep up with the changes in the laws affecting recruitment and screening. Third, one measure that can be taken to make reference checks less of a legal threat is to get a witness release from the applicant that allows the interviewer to contact his or her previous employers.

Before checking references, there is some information the interviewer should know. For example, the interviewer should verify the basics, such as dates of employment, salary, and responsibilities. When hiring a salesperson, the interviewer should also find out whether the candidate has initiative, the ability to learn, and how well he builds rapport with customers. When checking references, this information should be verified.

If possible, an interviewer should conduct the reference checks in person. This seems to achieve the best results. Also, the interviewer and company should keep the results of the reference checks and the resumes for at least one year to satisfy the federal government's minimal requirement in case of litigation.

## **CONCLUSION**

This manuscript has presented an overview of the selection procedures available to companies to select successful sales representatives. The recruiting and interviewing processes offer several subjective methods for evaluating potential job candidates while various testing procedures offer more objective methods for selecting job candidates. As an additional check of a candidate's background, it has been suggested that recruiters check references listed by potential candidates as well as references not listed by the candidates. Throughout the entire selection process,



recruiters should be familiar with the legal restrictions imposed when hiring sales representatives.

## REFERENCES

- Baker, Herbert George. "The employment interview: guaranteed improvement in reliability." Public Personnel Management. Spr. 1990: 85.
- Berman, Helen. "Recruiting top producers." Folio: the Magazine for Magazine Management. Annual 1994: 243.
- Bhargava, Sunita Wadekar. "A program that test if selling is in your blood." Business Week. 9 Dec. 1991: 90J.
- Bragg, Arthur. "Checking References: unlocking a candidate's hidden potential requires a thorough knowledge of the legal issues involved." Sales & Marketing Management. Nov. 1990: 68.
- Divita, Sal. "Job interview may require a personality adjustment." Marketing News. 26 Oct. 1992: 12.
- Falvey, Jack. "The Old College Try: Tricks to recruiting successfully on campus." Sales & Marketing Management. May 1988: 44.
- Flint, Joe. "Who they are: the sales staff of today." Broadcasting. 11 Nov. 1991: 71.
- Freedman, Robert, D. Back to the basics of interviewing." HR Focus. Jan. 1992: 10.
- Gorne, Carrie. "Software 'interviewers' screen job hopefuls." Marketing News. 2 Mar. 1992: 14.
- Hanigan, Maury. "Recruiting graduates? Get a marketing plan." Advertising Age. 21 Mar. 1994: 24.
- Hansen, Larry. "Look for a "good fit" when interviewing." American Printer. Jul. 1992: 76.
- Kauffman, Nancy. "The 1-2-3s of interviewing in today's economy." Supervisory Management. Nov. 1992: 9.

- Keenan, William. Jr. "Who has the right stuff?" Sales & Marketing Management. Aug. 1993: 28.
- Kern, Richard. "IQ tests for salesmen make a comeback." Sales & Marketing Management Apr. 1988: 42.
- King, Ronald H. and W.E. "Pat" Patton III. "The use of human judgment models in sales force selection decisions." Journal of Personal Selling & Sales Management. Spr. 1992: 1.
- Krause, William H. "Improving the productivity of your manufacturers' representatives." SAM Advanced Management Journal. Spr. 1985: 32.
- Martin, Scott and Loren Lehn. "Select the Right Employees Through Testing." Personnel Journal. Jun. 1992: 46.
- Moore, Michael. "Behavioral testing urged for filling sales positions." The American Banker. 28 Jul. 1993: 11.
- "New test helps employers tap sales potential." American Salesman. Aug. 1994: 15.
- "Nine tips on hiring and managing salespeople." Folio: the Magazine for Magazine Management. 15 Nov. 1994: 10.
- Parker, Richard M. "How to find salespeople who know how to sell." Sales & Marketing Management. Mar. 1989: 76.
- Rose, Richard, C. "Guerrilla interviewing." Inc. Dec. 1992: 145.
- Simmons, Anthony, W. "Selection Interviewing." Employment Relations Today. Winter 1990: 305.
- Spragins, Ellyn, E. "Test-driving job applicants." Inc. May 1992: 148.
- Squires, Paul. "Validity and generalizability of a role-play test to select telemarketing representatives." Journal of Occupational Psychology. Mar. 1991: 37.

Sweet, John O. "Psychological testing can help employers hire best applicants."

Air Conditioning, Heating, Refrigeration News. 6 Jun. 1988: 31.

Tippee, Bob. "The resume: a contrary view." The Oil and Gas Journal. 6 Dec. 1993:

13.

Willis, Rod. "Recruitment: playing the database game." Personnel. May 1990: 24.

Wotruba, Thomas R. and Stephen B. Castleberry. "Job analysis and hiring practices for national account marketing positions." Journal of Personal Selling & Sales Management. Sum. 1993: 49.